

**Producer Advisory Council
Meeting Minutes**

**April 18, 2012
12:00-1:30pm
Division of Insurance
1560 Broadway, Suite 850
Denver, CO 80202
Conference Room 110-D**

Council Members:

Colorado Group Insurance Association
Colorado State Association of Health Underwriters
Financial Planning Association of Colorado
Land Title Association of Colorado
Long Term Care Forum of Colorado
National Association of Insurance & Financial Advisors
Professional Independent Insurance Agents
Rocky Mountain Insurance Information Association
Society of Financial Service Professionals
Industry
Industry
Industry

Individual Contact:

Dorothy Marshall, Joel Rosenblum

Aaron Eisenach, Tammey Sullivan
Hartman Axley, James Evans, Coleen Love
Gary Frisch
Carole Walker
Robert Avery, Janet Van Dorn
Jim Passarelli
Steve Caldara
Ron Webb

Division of Insurance:

Commissioner Riesberg, Paula Sisneros, Bobbie Baca, Caryn Berumen

Administrative Matters

- Approval of Minutes: The March 12, 2012 meeting minutes were approved.

Update on NAIC Spring Meeting

- Commissioner Riesberg provided highlights on the following topics from the March NAIC meeting:
 - ❖ Property & Casualty
 - Homeowners insurance – do building codes impact homeowners insurance?
 - Water damage coverage including flood insurance
 - Auto insurance
 - lower income consumers have higher premiums so they are doing without
 - mandatory bundling by insurance companies
 - ❖ Health Insurance
 - Limited benefit plans
 - Pediatric dental
 - summary of benefits
 - insurance literacy
 - ❖ Market Conduct Exams
 - Should market conduct exams be conducted only by state employees?
 - More coordination between states
 - ❖ Force placed insurance by banks
- Robert Avery and Steve Caldara discussed continuing education requirements - specifically the classes required for certifications and re-certifications that appear to be similar in content. A discussion followed which pertained to NAIC model laws and Colorado requirements.

Lower N. Fork Fire Update

- Carole Walker and Bobbie Baca reported that the fire occurred on March 26, 2012: 27 homes were lost. It has been confirmed that fourteen of those homes were insured. One (1) home was uninsured. Bobbie Baca attended the quarterly city council meeting in Conifer the evening of April 18th.

Legislation / Communications

- HB-1215, Surplus Lines Insurance Fed Conformity
- HB-1289, Auto Insurance Complaints Adverse Action
- HB-1266, Sunset Continue Bail Bond Agent Regulation
- HB-1211, Title Insurance Agent Physical Office in State
- SB-38, Protect Consumers Residential Roofing Work
- SB-65, Prior Authorization Form Prescription Drugs

Rulemaking Hearings

- April 16, 2012: 6-5-1 Concerning the Reporting of Suspected Fraud was heard. NICB testified.
- May 1, 2012:
 - 1-1-8 Penalties and Timelines Concerning Division Inquiries and Document Requests
 - 2-1-8 Concerning Risk Retention Groups And Purchasing Groups
 - 3-1-10 Concerning Financial Statement Filings, Accounting Standards And Reporting Of Liabilities
 - 3-1-14 Alternative Mechanisms For Carriers Entering Into Contracts With Risk Bearing Entities
 - 3-4-1 Holding Company System
 - 4-1-14 Military Sales Practices
 - 4-2-9 Concerning Non-Discriminatory Treatment Of Acquired Immune Deficiency Syndrome (Aids) And Human Immunodeficiency Virus (Hiv) Related Illness By Life And Health Carriers
 - 4-2-32 Standardized Electronic Identification And Communication Systems Guidelines For Health Benefit Plans
 - 4-4-4 Concerning Long-Term Care Partnership Program
 - 4-7-2 Concerning The Laws Regulating Health Maintenance Organization Benefit Contracts And Services In Colorado
 - 5-1-2 Application And Binder Forms
 - 5-1-6 Nationwide Inland Marine Definition
 - 5-1-8 Concerning Claims-Made Insurance Policies
 - 5-2-2 Concerning Renewal Of Automobile Insurance Policies – Excluded Named Drivers
 - 5-3-4 Concerning Standards for Not At-Fault Motor Vehicle Accidents Under Workers' Compensation, Loss Limitation In Calculating Experience Modifications and Distribution of Losses in Excess of the Loss Limitation
 - 5-3-5 Workers' Compensation Deductible Reimbursement
 - 6-3-1 Concerning The Use Of Independent Market Conduct Examiners And Appeal Process For Expenses
- Gary Frisch stated he had comments to submit regarding 1-1-8.
- The Commissioner adopted all rules heard on April 2, 2012.

General

- Membership
 - ❖ Amy Duncan advised that she no longer wants to be a member of PAC.
 - ❖ Paula Sisneros e-mailed several individual agents and asked if they intend to continue as a PAC member. No responses were received. Due to their lack of interest those individuals will be removed from the PAC membership.
 - ❖ Hart Axley will follow-up with Colorado Group Insurance Association and Financial Planning Association of Colorado and inquire if they want to be represented at PAC.
- Operating Principles
 - ❖ If an organization is not represented at two (consecutive?) meetings the organization will be contacted by the PAC Chairman. The organization will be given the opportunity to assign a new representative.

- ❖ If an individual representative misses two meetings without notice (unexcused absence) the membership will vote to determine if the individual should remain on the Council.
- The November 21, 2012 meeting will be rescheduled to December 12, 2012.
- The membership agreed to change the month in which elections are held from October to January.
- The membership voted to forgo elections this year. Gary Frisch will remain the Chairman until the next election which is scheduled to occur January 2013.
- Robert Avery thanked Division staff, Deanna Thompson for her handling of a complaint he submitted against AAA Life Insurance Company. Due to Deanna's inquiry AAA agreed to remove certain language from their marketing materials.

Action Items

- Agenda Items for May:
 - NAIC website tour (Paula Sisneros).
 - Operating Principals - Update and approve at May meeting.
- Ask Tom Abel for an update regarding the pre-application rule.
- E-mail Paula Sisneros with any agenda items.